

Federal Government Charge Card Program

The GSA SmartPay® 2 program provides charge cards to U.S. government agencies/departments, as well as tribal governments, through master contracts that are negotiated with major national banks. There are currently over 350 agencies/organizations participating in the program spending \$30 billion annually, through 100 million transactions on over three million cards.

In June 2007, the Office of Charge Card Management awarded the GSA SmartPay® 2 master contracts to Citibank, JP Morgan Chase, and U.S. Bank. Through these contracts, agencies can obtain a number of different types of charge card products and services to support their mission needs, including:

- **Purchase Cards:** Purchasing general supplies and services;
- **Travel Cards:** Travel expenses related to official government travel (airline, hotel, meals, incidentals);
- **Fleet Cards:** Fuel and supplies for government vehicles; and
- **Integrated Cards:** Two or more business lines (card types) whose processes are integrated into one card.

Most agencies have transitioned to the new GSA SmartPay 2 cards on November 29, 2008; however, DHS (purchase only) will continue to use the GSA SmartPay 1 charge cards until they transition in June 2009.

Qualified agencies/organizations that are interested in obtaining charge card services can issue a task order under the master contract, and receive offers from the charge card providers.

To merchants who accept the Purchase card:

- Cards may be either a VISA or a MasterCard. Visa cards will begin with either 4486, 4614 or 4716. MasterCard cards will begin with 5568 or 5565.
- Cards may be issued by US Bank, Citibank, or JPMorganChase.
- Embossed "V" or "MC" is optional and not frequently used
- Cards will have two different designs.



To merchants who accept the Travel card:

- Cards may be either a VISA or a MasterCard. Visa cards will begin with 4486 or 4614. MasterCard cards will begin with 5568 or 5565.
- Cards may be issued by US Bank, Citibank, JPMorganChase.
- Embossed "V" or "MC" is optional and not frequently used
- Cards may have two different designs.



To merchants who accept the Fleet card:

- Cards may be either Voyager, Wright Express, Visa or MasterCard. Voyager cards will begin with 8699. Wright Express cards will begin with XXXX. Visa cards will begin with XXXX. MasterCard cards will begin with 5568 or 5565.
- Cards may be issued by US Bank, Citibank, and JPMorganChase.

- Embossed "V" or "MC" is optional and not frequently used
- Cards may have two different designs.



Businesses

How do I accept a government charge card?

GSA SmartPay® 2 cardholders may carry the following card brands: Visa, MasterCard, and Voyager. Voyager cards may only be used for fleet related purchases. You can maximize your ability to capture government sales by accepting these charge cards.

GSA SmartPay® 2 charge cards operate just like other charge cards. If you already accept these card brands for non-government purchases, you can accept government charge cards. If you do not currently accept these cards, contact any financial institution to learn more about establishing a merchant account.

Are government charge cards tax exempt?

When using certain types of cards, government cardholders are exempt from taxes on their purchases. Transactions against federal government accounts made within the United States that are directly paid by the government are exempt from state and local taxes. These are considered centrally billed accounts.

Are there additional costs for accepting government charge cards?

Government charge cards generally have the same acceptance costs as corporate cards. The transaction fees negotiated with the financial institution to accept corporate cards will apply to government cards as well. If a business does not currently accept one or more of these cards and wants to participate, the cost of acceptance is negotiated between the company and its selected financial institution.

How do I identify GSA SmartPay® 2 government charge cards?

All GSA SmartPay® 2 cards will use government specific designs. Additionally, all cards will display the GSA SmartPay® 2 logo and include the phrases "United States Government" and "For Official Use Only." There are 4 card designs displayed below:

What if I am unable to accept the government charge card?

A business that has trouble accepting government charge cards may be classified under a blocked Merchant Category Code (MCC). Businesses are required to label themselves by selecting an MCC that describes the products or services provided. Certain MCCs are blocked by agencies to prevent fraud and misuse.

If a company is experiencing problems accepting GSA SmartPay® 2 cards, it may be because the business is classified under an MCC that is blocked by that agency. To remedy this problem, merchants should talk to their financial institution to confirm that their MCC classification is accurate.

Do I have to accept government charge cards?

Merchants and vendors that wish to obtain a schedule contract to do business with the government are required to accept the government charge card as a method of payment for micro-purchases, generally those purchases under \$3,000. The rules and requirements for accepting cards are defined by the card associations and also cover government charge cards.

How can I promote the use of government charge cards at my business?

Government purchasers are required to use the charge card for micro-purchases, a category of purchases that includes most purchases under \$3,000. There are a number of actions that merchants can do to promote the use of the card at their establishments, including:

- **Providing Point of Sale Discounts** – Offering a point of sale discount to government cardholders is a great way to differentiate a business from others, and to increase the amount of government purchases. Contact a GSA SmartPay® representative for more information on providing a point of sale discount.
- **Providing Level 3 Transaction Data** – Merchants that provide Level 3 transaction data are more attractive to government agencies because the data enables agencies to keep track of their purchases more accurately. Merchants who wish to learn more about Level 3 data should contact their financial institution for more information.

Can cardholders use their card to fund alternative payment mechanisms, such as PayPal?

Depending on agency policy, charge cards may be allowed to fund e-commerce accounts to make purchases. However, the use of third party payment mechanisms like PayPal are discouraged because it is extremely difficult to determine the merchant from which the product/service was obtained for reconciliation and 1099 filing (when necessary).

The list of Card Holders for the U.S. Department of the Interior can be found at:

www.doi.gov/pam/chargecard/cardholders.html

Additional Information for Vendors

The [Vendor Support Center \(VSC\)](#) is the online source for vendors to obtain information, review and report sales, and more. The VSC website contains a wealth of information to assist both [GSA Schedule](#) and [Governmentwide Acquisition Contract \(GWAC\)](#) contractors in fulfilling the contract administration requirements of their respective contracts. Online information is available 24 hours a day, 7 days a week.

The VSC has been updated to include information regarding GSA's implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act).

The VSC also contains information regarding the [Multiple Award Schedule \(MAS\) Express Program](#), a specialized program designed to simplify, streamline, and ultimately accelerate the process for vendors to obtain GSA Schedule contracts.

The VSC maintains a staff ready to assist vendors in the preparation and submission of electronic catalog files to [GSA Advantage!®](#), and in the submission and reporting of sales data. Vendors may contact the VSC staff Monday - Friday, 7:30 a.m. - 5:30 p.m. Eastern Time, on (877) 495-4849, or via email at vendor.support@gsa.gov.

The shortcut to this page is www.gsa.gov/vendorsupportcenter.

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